Reporty Homeland Security Ltd

"The Social Safe City"

Business Plan

Content of table

1. Executive Summary 4
1.1 The challenge 4
1.2 Our vision 4
1.3 Our solution 4
1.4 Benefits of the system 5
1.5 Business opportunity 5
1.6 Business Model 5
1.7 Current status 6
1.8 Management Team 7
1.9 Technological Team: 7
1.10 Advisory Board: 8
1.11 Creative Director 8
2. Reporty Homeland Security LTD 8
2.1 General Description: 8
2.2 Vision Statement 9
2.3 Mission 10
2.4 Product & Services 10
2.6 Intellectual Property 11
2.6.1 360 arena streaming & streaming transfer 11
2.6.2 Indoor Navigation system 12
3. Market Overview 13
3.1 Numbers: 13
3.2 Specific Market Size (Municipalities & Security Agencies): 15
3.3 The Safe City Concept: 15
3.4 The Main Goal of the Safe city project: 16
3.5 global markets: 17
3.5.1 Singapore: 17
3.5.2 China: 17
3.5.3 Australia: 18
3.5.4 Moscow: 18

3.5.5 Israel: 18
3.5.6 Argentina (Buenos Aires): 19
3.5.7 In conclusion: 19
3.6 Clients Profile: 19
3.7 Competition: 21
3.7.1 Safe Cities Projects: 21
3.7.2 Social Networks: 23
3.7.3 Existing Apps: 24
3.7.4 Live stream solutions: 29
3.7.5 Positioning: 29
4. SWOT Analysis: 30
4.1 Strengths: 30
4.2 Weaknesses: 33
4.3 Opportunities: 33
4.4 Threats: 33
5. Business model: 34
5.1 Marketing Channels: 35
5.2 basic marketing and sales principles: 36
5.2.1 Scoring platform: 37
5.2.2 Score Method: 37
5.3 Cash Flow: 37
5.3.1 Pricing: 38

1. Executive Summary

1.1 The challenge

Many organizations invest funds in order to enhance their immediate response capabilities for routine or emergency events which take place under their jurisdiction. The response is usually inefficient which contributes to a lengthy response time, this in turn leads to higher expenditure and may even result in **human casualties**. Examples of this can be – A report of a car accident, sanitation hazard or various criminal activities. Systems available today do not provide an ultimate solution with which a distressed individual may transmit directly from the scene of the event nor are they able to cope with large scale emergency events in which the networks fail due to the large volumes of traffic.

1.2 Our vision

Reporty was designed to be able to provide a reliable, immediate and **micro-location** accurate response to various events throughout the country via a **Real Time video based mobile platform** which supported by **indoor navigation system**. This application will be made accessible to every citizen and will enable immediate live reporting, from the scene (Including Indoor spaces) of the events/hazards in their immediate vicinity, in a simple, intuitive and possibly lifesaving way.

1.3 Our solution

Reporty is a micro location based real time video transmission application (Patented) - With a touch of a button the system relays the video feed to a control center (By location) which receives all different transmissions from various physical locations. The application enables every user to capture events on **Real time** video, and then it transmits it in **real time** to a control center which is set up at the client's desired location. The decision maker in the control center now has a true real-time video & location of the current situation at the scene and can

make an informed decision on whether he wants to react, how to react and which forces should do so.

1.4 Benefits of the system

1. Reliable video & micro location based reporting.
2. Reduces false reports.
3. Reduces erosion and increases the efficiency of human resources
4. Direct connection between the citizen and the authorities (Defense, Municipal).
5. Encourages citizen's social involvement.
6. Increase citizen's sense of security and trust in the authorities.
7. Shortens authority's response time.
8. Reduces crime rate.
9. Saves Money.
10. **Saves lives.**

1.5 Business opportunity

Safe City market size expected to be in 2020 more than 360B$ (Only in China the Smart City expected projects size is 138B$), Reporty it's a Complementary product which should give the full intelligence picture and to create the connection between the people and the governments in order to increase the awareness of the people and decrease the false positive response. Reporty direct market size is: 4.2B$ (See explanation at section 3).

1.6 Business Model

Our potential clients are authorities & security agencies (Police, MDA, Fire department) which take a major position as our main marketing channels. We already started to sell pilots to authorities in Israel, the price for pilot is around 8000$ for authority and 13,900$ for security agency. The full product will cost 25,000$ for municipalities + 0.01$*Residents number for month, the price for security agency will be around 50,000$ + 0.01$*Residents number for month. We are taking the Israeli market as a beta site which will help us to prove our concept

and improve our performance (The first pilots will be for free). The nice part of Reporty is the fact that our marketing channels paying us, as part of our contract they need to promote the system and brings the users. With our smart indoor location algorithm Reporty will document all the user movement in the indoor places and after 3-4 month we will start to map the indoor places in the city (we will explain more in a meeting). With the right monetization tools and with that useful information we believe that Reporty value will be change dramatically.

After 1 year we plan to reach to the global market: in the global market we will work in that way: one time charge for municipalities of 100K$ + 0.01$ per resident per month and for emergency agencies 250K$+ 0.01$ per resident. We will corporate with large companies in the industry as a complementary product for their existing projects or future ones (Example of those companies: Mer Group, Logic, Telefonica, Nice and more).

1.7 Current status

In the last 8 month Reporty team is working without an investment and reaches several goals:

Technological achievements:

1. The software available for android and in about 2 month (After investment) will be ready for IOS.
2. Basic C&C – Working, and already implemented into Ashdod municipality.
3. Indoor location algorithm is fully working (we can demonstrate it).
4. Peer to peer video & audio transferring protocol – working.
5. 1 PCT were written on the 360 streaming & the reporting method of the system (we need to fill them for PCT in the next weeks).

Business Achievements:

1. We started to sell pilot in 1.9 – We installed the first system in January in Ashdod (medium size city – 250,000 potential users), and we in a process with few others.

2. We signed a long term agreement (2yrs) with Israel Red cross, and we have offers from the Israeli fire department.
3. We met several global agencies such as the ministry of defense of Russia which define the system as a revolution.
4. We are in a contact with CWV (City without violence) which is a part of the Israeli government – they said that Reporty is “too good to be true” and we are In a progress with them in order to put us as “must have” systems in the next tenders.

1.8 Management Team

Amir Elichai - Founder & CEO – Former officer in an elite IDF unit, has 11 years of experience in various defense and security entities. Founder of sky project investment, he possesses rich experience in managing, founding, fund raising and strategy planning for local and foreign start-up companies.

Lital Leshem - Co-Founder & Vp Business Dev - IDF cap (res), operational officer in northern gaza brigade, 6 years of experience at the operational branch. Director of marketing and project manager at Black Cube business Intelligence Company.

1.9 Technological Team:

Alex Dizengof – Co Founder & CTO – Alex has led teams in developing algorithms and control software for robots in the international Robocup challenge, as well as in developing cyber security software for Israel's Prime Minister Office. Alex has a BSc in Computer Science and an MSc in Computer Science and AI, both from Bar Ilan University.

Yoni Yatsun – Co Founder & Senior Developer – A talented developer, Yoni has developed the main algorithm for Navix. Previously he held a position of developer in Mobilicom, developer of Mobile Wireless Network solutions and products. Yoni has a Bsc in Computer Science from Bar Ilan University.

1.10 Advisory Board:

Pinchas Buchris - Director & Board member - Deputy Commander of "Sayeret Matkal", Head of unit 8200, Partner in AIPAC, CEO Ministry of Defense, CEO Oil Refineries Ltd. Currently an independent businessman.

Prof. Gal A. Kaminka, PhD – Advisory Board - head of the MAVERICK group at Bar Ilan University, which conducts research in multi-robot systems, teamwork, cognitive modeling, and artificial intelligence, Prof. Kaminka is an accomplished researcher, teacher and specializes in the transference of theoretical computer science to practical applications. Prof. Kaminka holds a PhD in Computer Science from the University of Southern California and a B.A. (cum laude) from the Open University in Israel.

1.11 Creative Director

Ortal Sigler – Creative director - Talented designer who specializes in UX/UI. The owner of H20 Studio, Ortal holds B.des from Shankar College.

2. Reporty Homeland Security LTD

2.1 General Description:

Reporty is a real time micron location video transmission application - With a touch of a button the system relays the video feed to a control center (By location) which receives all different transmissions from various physical locations. The application enables every user to capture events on **Real time** video, and then transmits it in **real time** to a control center which is set up at the client's desired location (1M accurate including Indoor places). The decision maker in the control center now has a true real-time video of the current situation at the scene and can make an informed decision on whether he wants to react, how to react and which forces should do so.

We believe that in order to create a real safe city it's not enough to install thousands of cameras and heavy IT systems. We believe in the power of the crowd which should be an integral part of any Responder system. The crowd is everywhere – in any single minute in any

corner of the streets in any restaurants/ building/ train station there are many people and the numbers are climbing up. Thanks to the increasing number of the Smart phone users and the increasing of the Network Speed (LTE) we designed Reporty solution that would create a safer world.

The increasing numbers of crimes and the increasing of the average response time create for Reporty real opportunity to a new market that would create new bridge between the crowd and the government's. The traditional safe city companies believe in expensive projects and heavy IT systems – We believe in the Crowd.

Moreover, the existing 911 solution which is integral part of safe cities are suffering from Hugh amount of false report together with unreliable location system which leads to grinding of the man power and sometimes even to deaths. Besides of the fact that we can save life we also saving a lot of money to the authorities which are sending professional services to 20% false report that are happening under their jurisdiction without any ability to figure out the real situation in the arena. (With our system for example we can save 72M nis for Tel-aviv municipalities which have 6M Calls a year and around 20% false).

2.2 Vision Statement

To give new way of reporting systems based on Live Stream application that would be dynamically connected to a command and control center according to the location of the streamer. Our vision is to create a safer world and to give the power back to the people by giving them one universal application that would be a Key for their safety around the world and a new generation of communication between them and the different authorities.

We believe that Reporty is 'Must to have' product in any country which, on the one hand, will save a lot of time and money for the authorities and on the other hand will give the crowd the option to decrease the responding average time. More than that, we believe that any country that would adopt 'Reporty' System would see a dramatically decreasing in the crime reports. Reporty would be the municipality's private social network.

2.3 Mission

Reporty will change the psychology and common methods of emergency reporting, response time, efficiency and quality. In four years Reporty will be the benchmark method adapted, and therefore will save lives and improve quality of life.

2.4 Product & Services

Reporty products are based on a smartphone application (IOS, Android) and software needed to integrate and present the data and information in the command and control center (C&C system).

The software will be used by:

1. **Civilians** – Achieving the ability, at the tip of the thumb, to call for immediate help, and to receive real-time and effective guidance based on exact location and streaming video of the event. This results in higher sense of safety and contributes to the affirmative conception of local authorities. We will also give our customers the ability to communicate with your family in a safety net, create your helpers community, and get direct messages from the authorities and much more. (Free of charge for the crowd).
2. **Governments and Authorities** - Gaining the tools that will improve tremendously the ability to identify and react to relevant events in efficient and effective way and to contact with your residents in a new and smart way. This results in saving lives, and improving the general results and image of the specific authority. In addition Reporty will create smart data analytic abilities that will improve governments & authorities for the upcoming events.

   For the authorities Reporty is also a money saver machine – which will save few millions dollars a year for every municipality.
3. **Local communities:** we will sell the system for local communities like: Jewish communities around the world, employees of the ministry of foreign affairs that

are working abroad and want to report on something to the local command and control room (in the embassy for example).

4. **News Channels:** Reporty will be the biggest news resource with millions of interesting videos that are happening throughout the world. In the future Reporty plans to add a 'Buy' button to every video and allowed the news channels to 'make a bid' against other TV channels.
5. **Big enterprises:** for example we can take World Disney who have is own local first responders, Airports who wants to get report from their "jurisdiction" and more.
6. **Global Armies:** who can make adaptations for the system and to use it for their needs?

2.6 Intellectual Property

2.6.1 360 arena streaming & streaming transfer

The invention generally relates to video streaming and more particularly to controlled video streaming from a user device capable of capturing and streaming video to one or more video content receivers. Even more particularly, the video streaming is real-time video streaming.

Most of the mobile devices, smartphones, tables, notebook computers, and the like, sold today, are equipped with built-in video camera. As a result events are recorded on video and distributed worldwide in an ever growing number. In fact, various bodies, such as the media and the police, make use of video clips provided by users of such mobile devices, may it be to inform the public through broadcast media of the folding of events in real-time, or, identifying a crime case as it occurs.

Currently the process of a user using such a mobile device to provide the media or the police with such information is not straightforward. In some cases users simply upload

the video content to social networks, such as Facebook®, YouTube® or Instagram®, and therefrom it finds its way to the police or the broadcasting networks. In some cases this is done by contacting the desired consumer of the video content and uploading in one of a variety of mechanisms the content to that consumer. While a reasonable, though sub-optimal, solution in certain cases, it is not of value in cases where the content in valuable if transmitted in real-time.

Therefore in view of the deficiencies of the prior art solutions to allow easy connectivity for video streaming of real-time video content from a user device to a video content consumer, it would be advantageous to provide a solution that overcomes these deficiencies.

- Additional information will be accessible in farther proceeding after NDA.

2.6.2 Indoor Navigation system

Reporty unique product benefits are derived from its proprietary highly-accurate micro-location technology. Using signals from existing Wi-Fi networks, mobile phone accelerometers and gyroscopes, Reporty indoor location system can pinpoint reporters' location with an accuracy of less than 1m. This allows the following unique features:

1. Significantly relieves the reported location detection in urban areas (according to researches 10,000 people are die every year only in U.S "thanks" to the difficulties of identify their exact location in urban areas while reporting).
2. Turn-by-turn indoor navigation, allowing the forces to easily navigate to specific event.
3. Automatic creation of Reporty user lists per area/building, important for emergency situation to better understand who is in the zone of treats.
4. Automatic creation of list of people that are visiting areas/buildings in normal day.

- Additional information will be accessible in farther proceeding after NDA.

3. Market Overview

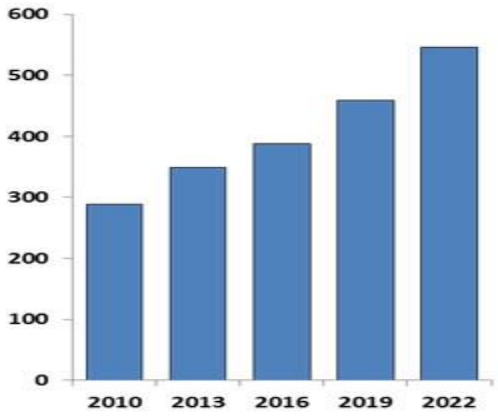
In the twenty-first century, growth, economic value and competitive differentiation of cities will increasingly be derived from people and their skills, creativity and knowledge, as well as the capacity of the economy to create and absorb innovation. To compete in this new economic environment, cities will need to better apply advanced **information technology**, analytics and systems thinking to develop a more citizen-centric approach to services. By doing so, they can better attract, create, enable and retain their citizens' skills, knowledge and creativity.

Inflated populations in the inner cities result in crime, vandalism and a major target for terrorism. This directly impacts the community's economic, political and personal well-being. Municipal surveillance demands a non-intrusive security solution while at the same time must address the diverse range of sensitivities, routines and systems used by various emergency services (police, fire, health, emergency services, etc.).

3.1 Numbers:

- **China:** In 2011, the Chinese central government began the massive implementation of a national program requiring 650 Chinese cities to reform their public security and safety infrastructures with state-of-the-art technologies. According to the China Safe Cities Technologies and Markets 2013-2022 report, this program will result in a cumulative 2013-2022 **$138 billion** Chinese Safe City market – the largest national Safe City market in the world. (Source)
- Over **2300 municipalities** around the globe are executing or planning their Safe City projects to enhance civilian security, safety, local economy and quality of life. A Safe City price tag ranges from $billions (e.g. **Dubai $2.3 billion**, **Guangdong Province** "Safe City Corridor" **$6 billion**) down to a few $millions for a community "Safe City" project.(Source)

- According to recent reports (e.g., the UN) climate related natural disasters grew during the recent decade by more than 13%. The Natural **Disasters Preparation & Response equipment** cumulative 2014-2022 market is forecasted to surpass the **$150 billion** level. (Source)
- By 2050, 80% of the world's predicted nine billion people will be urbanites. More than **$50 trillion** needs to be invested in urban infrastructure in the coming two decades alone. Without the application of smart technology, municipal authorities cannot sustain sufficient security force and emergency service personnel to citizen ratios to cope with the security, safety and environment-related ramifications of this growth. The bigger the urban area, the greater the need to apply intuitive, upstream technologies to help government's protect citizens and enhance welfare.
- **58%** of Americans own smartphones and people now routinely send text messages, photos and videos from their mobile devices.
- Most 911 centers today are still tethered to the voice-centered world of communications of the last century and are unable to receive text or photos.
- The existing 911 system in U.S faces difficulties in supporting text or multimedia messaging (Source)
- Global HLS & Public Safety Market [$B] – 2010-2022 (**In 2022 – 500B$**)



(Source)

- **Reporty is a complementary product for a 360B$ market (Current Status).**

3.2 Specific Market Size (Municipalities & Security Agencies):

We did a long research in order to get our direct market size which is 4.2B$. This number was considered around 1300 cities /countries and the average city/country size is 6.5M people. See the table below:

No.	Country	N. Pepole	Big Cities /countries	Average
1	Brazil	202,656,788.00	20	10132839.4
2	USA	318,892,103.00	294	1084667.017
3	Russia	142,470,272.00	319	446615.2727
4	Austrelia	22,507,617.00	45	500169.2667
5	Africa	1,032,532,974.00	50	20650659.48
6	Mexico	120,286,655.00	117	1028091.068
7	Argentina	43,024,374.00	20	2151218.7
8	China	1,357,000,000.00	246	5516260.163
9	India	1,236,344,631.00	200	6181723.155
10	Europe	742,500,000.00	50	14850000
Sum		5,218,215,414.00	1361	
Market Size			Average World City population	6254224.352
Person/Month	$ 0.01			
System Sale For Municipaleties	$ 100,000.00			
System Sale For Security	$ 250,000.00			
Total Potential Monthly retiener			$ 52,182,154.14	
Potential sailing For municepaleties			$ 136,100,000.00	
Total Potential Monthly retiener (Security)			$ 52,182,154.14	
Potential sailing For Security			$ 340,250,000.00	
Market Size = 3 years retainer + potential sailing			$ 4,233,465,098.08	

* This number isn't considering the price for the data that we will collect and isn't considering B2B sales.

3.3 The Safe City Concept:

The Safe City is a concept for returning security, safety and quality of life to today's complex cities through the use of technology, infrastructure, personnel and processes. The Safe City concept can be applied to cities, towns, industrial parks, college campuses, or any other physical environment where people require a safe, comfortable environment.

In the old days, preserving law and order in a city was the responsibility of police patrolmen who physically walked the streets of relatively confined sectors. While the territory that an individual patrolman could cover with his eyes, ears and feet was limited, his ability to serve and protect the population under his care was remarkable. In addition to enforcing the law, a patrolman's responsibility included guiding lost children, controlling and directing traffic, protecting homes and businesses, identifying neighborhood troublemakers, and performing a host of "good governance" activities crucial the health of a properly functioning neighborhood. In crisis situations, the patrolman's intimate knowledge of his sector allowed him to evaluate threats, mitigate damages, and return life to the status quo as quickly as possible.

Modern cities have changed dramatically in recent decades: cities have become more congested, and crime has soared, while vandalism and vagrancy have become routine. In the context of shrinking municipal budgets and the rising cost of manpower, the model of the friendly neighborhood beat policeman seems antiquated and quaint. Safe City is a new paradigm to fit modern cities and the rising cost of manpower; it combines the street patrolman's intuitive approach with state-of-the-art observation, communication and information management.

3.4 The Main Goal of the Safe city project:

The goal of the "safe city" concept is to create safe urban areas that provide better social and economic environments by preparing for both natural and man-made disasters. The key to the concept is to engage and empower the community to work as a unit to deter threat while being responsive to emergency. This concept, as the name suggests, can be applied to Countries, municipalities, but it is also applicable to large organizations.

3.5 global markets:

3.5.1 Singapore:

The Ministry of Home Affairs (MHA) and the Singapore Economic Development Board (SEDB) are embarking on a “Safe City Test Bed” project which aims to test advanced technologies to improve public safety. The Safe City Test Bed is an R&D initiative which involves setting up test beds to enable different government agencies to integrate and analyses data collected from existing sensors and network systems by using advanced analytic and information sharing tools. The Government has appointed four consortia led by Accenture, AGT International, Cassidian and NEC Asia Pacific, to develop potential “safe city” solutions that will: maximize agencies’ situational awareness and response capacity; streamline manpower requirements; address operational challenges; and overcome infrastructural and technical constraints. The NEC-led consortium consists of private companies such as ESRI Singapore, iOmniscient Pte Ltd and Oracle as well as G Element Pte Ltd, GreenFossil Pte Ltd, and ZWEEC Analytics Pte Ltd.

3.5.2 China:

According to "China Safe City Technologies & Markets – 2013-2022" and the "Global Homeland Security & Public Safety Market – 2014-2022" reports, China’s safe city market (including planning, consulting services, systems procurement, integration & installation costs, maintenance and upgrades) will accumulate to $138B between 2013 & 2022 and peak in 2021. $46B of this amount will go to foreign-based companies. The main driver of this market is China’s 650 (or "Plan 3111") safe cities program. These safe cities municipal-level deployments of sensors and systems are intended to enhance the mitigation of crime, terror and prepare for either manmade or natural disasters. In these projects, deployments of 100,000 - plus surveillance cameras per city are not uncommon, dwarfing even the largest European or U.S. smart & safe cities projects. China’s seemingly unquenchable thirst for advanced video surveillance technologies led to 13M cameras already installed, making China the world’s largest consumer of video surveillance equipment.

3.5.3 Australia:

Australia considered as a safe country in the international standard, raising immigrant population has resulted in increased violence over the past few years. Over 500,000 cases reported every year. It is estimated that 13B$ spend each year on public safety and private crime prevention.

3.5.4 Moscow:

The initial Safe City plan was to cover Moscow with a distributed video surveillance network. Additional considerations prompted a more comprehensive, multilevel system: Safe City would protect sites including group dwellings, life support systems, schools, mass circulation areas, airports and railway stations, trains and subways, transportation and motorways, and television towers. The Safe City implementation included over 26,000 CCTV cameras in Moscow, controlling over 10,000 doorways and mass circulation areas in ten districts. These sites are now covered by a single distributed scalable system controlled from a single center using the Axxon Intellect Enterprise integrated security platform. Vandal-resistant cameras monitor public areas while access control prevents unauthorized entry, and flood, fire, and smoke sensors alert emergency personnel to problems. Meanwhile, water, gas, and electricity consumption is monitored to provide accurate billing and planning, and prevent leakage, overloads, and short circuits.

According to meeting between Reporty team and seniors from Moscow municipalities, so far the Moscow government invested 5.5B$ in safe city project which include 130,000 Cameras – and it doesn’t serve the purpose.

3.5.5 Israel:

Rishon Lezion did the biggest Safe City project in Israel as part of ‘City without violence’. The municipality invested 45M Nis in Mer-Group project which includes: 800 Cameras, 60Km of optical fibers and full command and control center.

3.5.6 Argentina (Buenos Aires):

The Mer Group is expected to finish the installation of cameras, observation, and intelligence systems in Buenos Aires this year for the huge Safe City project, according to the company.

This comes in contrast to various reports received over the past several months that claim that the company's Argentinean project had encountered numerous delays, and even that it might not be carried out in the end. In recent months, newspapers in Argentina published several reports that claimed, among other things, that the $42 million project had encountered problems and was being delayed.

3.5.7 In conclusion:

Safe City projects are needed in various countries, but since these projects are very expensive and require massive manpower many countries cannot afford to install such projects. Therefore the crime rate continues to rise and the sense of security is deteriorating. Over **2300 municipalities** around the globe are executing or planning their Safe City projects to enhance civilian security, safety, local economy and quality of life. After deep research of the market and conversations that we had with companies that already installed safe city project and with key figures who bought that kind of software's we now deeply understand that they need **the power of the crowd.**

3.6 Clients Profile:

Municipalities: As mentioned before Reporty is a must have product for that sector, Reporty is a real money saver and life saver. In a research that we did we discovered that we can save for Tel-aviv municipality around 72M Nis per year (see table below)! More than that we are giving the authority "private social network" which gives her many different ways to interact with her residents. We believe that 'safe-city' isn't only in extreme cases; it's also related to events that are happening routinely in your region.

Saving to the autoreties (Ranana)		Tel Aviv	NYC
Number of calls to 106	250,000.00	6,000,000.00	30,000,000.00
Number of people	70,000.00	1,000,000.00	15,000,000.00
Average Report per person	3.57	6.00	2.00
Report that need proffesional services	83,333.33	1,200,000.00	9,000,000.00
False reports (20%)	16,666.67	240,000.00	1,800,000.00
Average payment for proffesional services	200.00	200.00	$ 100.00
Average saving per 1yr per city (250,000 Reports)	3,333,333.33	48,000,000.00	$ 180,000,000.00
Total save per 1 call	13.33333333	8	$ 6.00

Security Agencies: Police, Fire department, Medical department are suffering from Hugh amount of calls that are made every year. 20-30% of those calls are false which cause for human casualties. We are giving them the ability to see what's going on in the arena, gets exact location (1M accurate in indoor places) and the reliability score of the calling person. We are also giving the security agencies the ability to ask from people to turn on their camera in different events.

Large enterprises: some large enterprises have their own first responder's team – such as Disney world in Orlando which is visited by hundreds of thousands of people every day. In the future Reporty will corporate with that kind of companies. We are also speaking with the security company that won in the Olympic Games tender in Brazil to be part of the integral security technology for the crowd there.

TV News Channels: Thanks to the fact that Reporty will be the ultimate video resource for emergency and non-emergency situations we will add a 'buy' button to any single video in the future and we will let the TV Channel make a 'bid' on users videos. We will create (optional) an emergency videos market place – In the future.

Elderly: old people are also our potential clients which we will connect direct to their designated centers. As part of the registration to the product we will give the ability for that sector to choose his own dedicated center which will be immediately connected. In the future we will be able to connect to smart life savers devices such as watches and to give much more features around it.

Communities around the world: different communities around the world are suffering from increasing violence cases. For example, the Jewish community. We will be able to give them and product and to connect directly for the authorities. In addition they will be able to notify with 1 click to all the people in their community that something is happing to decrease the response time. We also will give parents in those communities the ability to track their children movements also in indoor places with automatic notification that your child is in location X.

Regular users: the most important part of Reporty is the crowd. For that we designed the application to feel as much comfortable and easy to use with many features that are important for the crowd. The application is totally free for the users.

3.7 Competition:

3.7.1 Safe Cities Projects:

- **HetMer** – Mer System's Safe City solution puts law enforcement's "eyes and ears" at virtually every corner. It includes video surveillance, bi-directional audio transmitters, environmental sensors, gun-shot detectors, panic buttons, pollution level alarm systems and more. The sensors are deployed by Mer System's using a myriad of communication methods including wireless, fiber optic, LAN-WAN, mobile networks and more.

  Mer System's Safe City solution features strategic decision support applications. By analyzing statistic data, decision makers can analyze the performance of their activity according to predefined KPI's (Key Performance Indicators). For example, efficiency of the existing resources, the need to expand or decrease the emergency call centers, response times, crime rates per region, and more. This information facilitates the ongoing strategic decision making to constantly improve performance.

- **Verint -** A Unified Situation Management Solution to Boost Awareness, Enhance Security and Drive Efficiency - **Nextiva SMC** is a comprehensive software solution that provides

you with capabilities for all phases of situation management including real-time situation awareness, efficient response and notification, investigation and debriefing, planning and compliance, and preventive intelligence.

- **NICE** - SafeCity proactively monitors, integrates and unifies city infrastructure and alerts you to potential events that are unfolding thereby providing complete situational awareness and management. NICE SafeCity consolidates and filters the vast amounts of information generated from managing public safety with advanced security technologies to deliver the right information to the right people at just the right time. NICE SafeCity builds an intelligent and comprehensive view of what is happening in your city by unifying information from events, field-unit locations and sensors as well as supports sub-systems that make up your entire infrastructure. It makes sense of the information overload that inundates command centers. NICE's multidimensional coverage is achieved by a portfolio of surveillance, monitoring and tracking solutions that cover all of your city's field units as well as security and safety systems to inform you of exactly what is happening.

- **Magal** - Magal collective experience in solving integration challenges involving multiple vendor systems translates directly into cost savings and performance enhancements for customers. Magal S3 begins every solution by working together with security consultants to assess the customer's needs, existing assets and operational requirements.

  The company's strategy comprises an end-to-end solution in securing vulnerable outdoor areas. Utilizing years of experience and technical know-how, the company aligns its solution to the relevant application/market's security risk analysis, plans, policies and procedures. Magal S3 conducts comprehensive training, takes responsibility for the full installation and constantly updates and refines its proactive and dynamic security approach. Magal S3's solution is completely tailored to customer needs and requirements, and can be fully integrated with third-party systems and equipment.

- **AGT -** AGT International is revolutionizing public safety and security by connecting previously unlinked devices and data, making relevant information accessible and actionable for decision-makers and citizens alike.

Safe City projects are active in a many cities around the world, but the project does not give a full solution and the fact is it doesn't prevent crime only help to analyze it in retrospect. The projects are extremely IT needed, very expensive, broadcast 24/7 videos inquiring massive manpower in order to distinguish real cases, covering outdoor only and they are very expensive. After some investigations of several entities from that sector we realized that those companies rely on heavy IT systems, sensors, cameras. No one of the existing safe city projects makes direct connection between the crowd and the authorities.

3.7.2 Social Networks:

- **Whatsapp** - WhatsApp Messenger is a cross-platform mobile messaging app which allows you to exchange messages without having to pay for SMS. WhatsApp Messenger is available for iPhone, BlackBerry, Android, Windows Phone and Nokia and yes, those phones can all message each other, Because WhatsApp Messenger uses the same internet data plan that you use for email and web browsing, there is no cost to message and stay in touch with your friends, In addition to basic messaging WhatsApp users can create groups, send each other unlimited images, video and audio media messages. Sometimes Private people used Whatsapp as a tool to deliver videos and pictures from events between their friends which find their way to the authorities.

- **Facebook -** an online social networking service. It was founded on February 4, 2004 by Mark Zuckerberg. Facebook allows anyone who claims to be at least 13 years old to become a registered user of the website.

  Users must register before using the site, after which they may create a personal profile, add other users as friends, exchange messages, and receive automatic notifications when

they update their profile. Additionally, users may join common-interest user groups, organized by workplace, school or college, or other characteristics, and categorize their friends into lists such as "People from Work" or "Close Friends". As of September 2012, Facebook has over one billion active users, of which approximately 9% are fake. Facebook (as of 2012) has about 180 petabytes of data per year and grows by over half a petabyte every 24 hours.

Sometimes Private people used whatsapp as a tool to deliver videos and pictures from events between their friends which find his way to the authorities. Some authorities are using pages in Facebook which calls the crowd to send them pictures/videos/comments from different events.

The social networks are mostly used for kipping in touch between friends and colleges, sheering experiences information and personal pictures. Thus networks are not connected with the authorities, do not have live video, contain a lot of irrelevant information, different consumption habits (users), and different purpose, hard to find and sort the information.

3.7.3 Existing Apps:

- **CrimePush -** is built to work on your smartphone. Developed in a multi-platform environment, the CrimePush app is downloadable through iTunes and the Android marketplace, ensuring maximum user coverage.

  If you witness a crime, simply click on the corresponding crime icon, enter the crime description, and include photo, video, or audio recording evidence of the scene. When finished, press "Push to Report" and the information are on its way to the authorities.

- **SPOTTM -** allows victims of crime, or concerned citizens, to immediately report a felony or misdemeanor to thousands of anonymous people in the community (aka “Spotters”) located in their area, or instantly alerts family and police during an emergency. The Green Button allows victims of crime to quickly and easily report the incident with the

additional option of uploading audio, video, and photo evidence. The report, which also contains geo-location and time data, is received and vetted by the SPOTTM helpdesk, which is then forwarded to Spotters and the local law enforcement agencies.

- **LolaTech -** Lolatech Ltd. provides mobile control & report solutions, and Location Based solutions (LBS) which enable organizations and public authorities to easily manage and control their field operations. Our products allow viewing organization's field teams' reports, that include voice recordings, photos taken and location in real-time. Organizations that deploy our solutions will significantly increase their employees' efficiency, revenue generation and streamline operations. We have mobile products for police departments, traffic/parking enforcement, technicians, Check-In/Check-Out Systems for the car rental industry, security systems and infrastructure workers.

- **Mobilitate -** is an online platform where citizens from across the country can report a municipal problem by pin-pointing the exact location of the problem via Google Maps. In turn, Mobilitate sends the issue to the relevant municipality and simultaneously notifies the ward Councilor and citizens in the neighborhood of the issue. All the communication and updates regarding the issue occur in ONE place visible for all to see. It is a typical e-government model which fosters and encourages citizen-participation toward more efficient local government.

- **NowForce** - created to keep emergency response and security organizations connected, thereby minimizing response times and maximizing situational awareness. Running on users' existing phones, NowForce's emergency response solutions enable organizations to:

    - Dispatch the optimal responder – based on proximity, availability and experience to the scene.

- Improve situational awareness by seeing the where abouts of every potential responder, as well as all relevant geographical information and the location of life-saving equipment and other resources.
- Sync all users in an emergency network via their cell phones.
- Keep first responders connected via their smartphones – even when off-duty or away from their vehicles – while fully respecting privacy.
- Automate routine tasks so the response team can focus on what really matters.
- Give the people they protect a direct lifeline to a specific dispatch center, ensuring an immediate response to any emergency.
- Nowforce coporate with Verint, the integration into **Nextiva SMC (Verint Project)** will give security organizations an additional layer of situation intelligence, while enhancing real-time incident management and response with force management.

- **Bsafe** - Personal safety app bSafe, a free download for both Apple iOS and Android devices, contains an incredibly wide set of personal safety features. It can be used to privately alert friends that you've arrived at your destination, send info about your changing GPS location and even setup fake phone calls to slyly escape uncomfortable dates and similar situations.

- **AtHoc -** AtHoc Interactive Warning System (IWS) – empowers organizations to interact, alert and account for all their people in times of crisis, whether caused by natural disasters or critical operations failures. IWS leverages the latest advances in mobility, cloud, and IP technologies to deliver state-of-the-art interactive crisis communication capability, addressing regulatory compliance and market needs for:
  - Emergency Mass Notification
  - IT Outages & Business Continuity
  - Personnel Accountability
  - Mobile Duress Alert for VIP Safety

- Personnel Location Tracking
- First Responders' Mobile Field Reports
- Key Personnel Recall
- Common Operating Picture

- **Samsung** - The new waterproof Samsung Galaxy S5 smartphone has a lot of great new features. One of these, called "Safety Assistance," is a built-in emergency tool that lets you quickly notify pre-determined contacts that you may be in immediate trouble.
  When you need real help, bSafe offers an audible alarm and immediately starts broadcasting video captured by your phone and your GPS location. Information is continually collected and recorded, and is sharable with police should it prove necessary to do so. You can activate the alarm manually or you can use the Follow Me Timer mode, which which will automatically send an emergency SOS message if you don't check in before the timer runs out. This is great for late nights or a little extra safety on your morning run when you only want to disturb people in an emergency.

- **Emergensee -** EmergenSee's gives her client the ability to be connected to a 24/7 monitoring center with a video (without audion). Their targeted market is universities and local business.

- **Kitestring** - It's a web-based service that checks in with you and sends an alert to pre-selected contacts should you fail to respond. Kitestring works through your inaction.
  Kitestring check-ins are sent by SMS text, so the service works even with feature phones – you simply need to visit the free service's website at kitestring.io. Once you have your phone set up, you can visit the Kitestring site to customize your SOS message and activate an SMS message broadcast that will be sent out in 30 minutes, 2 hours, 5 hours or 12 hours. Or, you can simply text the Kitestring service with the number of minutes in which to active your SMS broadcast. Once the time is up, you get a check in message and if for some reason you're unable to respond to that text withing 5 minutes,

Kitestring will let your contacts know. You can even set a check-in word and duress codes, so Kitestring will keep working even if someone else gains control of your phone.

- **Evigilo -** eVigilo's mission is to enhance emergency responders' mass notification capabilities by using a geo-targeted multi-channel alert and notification system reaching millions of people within seconds.

  eVigilo is the only solution that has been successfully deployed by multiple countries around the globe, among others by the Israeli Home Front Command and the Chilean Emergency Management Authority. The eVigilo SMART Alert platform is used on national level (SMART for Governments) as well as on regional level (SMART for Municipalities) as the main alert and notification dissemination system.

  The eVigilo platform receives event input from multiple sources both human interface and sensors. The platform sends geo-targeted alerts and notifications to any media, both legacy systems as well as next generation information systems such as mobile networks, fix-telephony, TV, radio, sirens, billboards and push notification services like email, Smartphone & PC applications as well as social networks.

- **Help –** Israeli app that was developed by 3 student in order to help deaf people to get help during emergency.
- **Musketeerm –** social safety app, in a push of a button the application send txt to the closest 40 people around you.

All these applications Reporting By messaging/Signaling/Email - are **not** live stream (Audio and video) and no one of them developed indoor navigation system which is very important thanks to the fact that we are staying 80% of our day & night time in indoor places. The reasons that Reporty choose to use live stream & micro location services are in order to reduce false reports and to give the command & control center full intelligent picture which is missing today. We believe that the power of live video from event is much stronger than the other existing solutions. Moreover, Reporty is a global application which means that no matter where you are you will always use the same application. Some companies creates "Taylor made" app for each

city, we believe in simplicity – Reporty is a global app that will serve you in any territory that will adopt the technology. The best prove for product against competitors is the fact that we spoke with our customers and already started to sale pilots and no system is already installed or even heard by our potential clients who are (Police, Fire department and all the biggest municipalities of Israel). Reporty is the first company that takes the public safety into the social arena (including 24/7 instant news channel location wise) together with strong technology and the only one that real using the power of the crowd.

For detailed features differentiation please check our competitive table.

3.7.4 Live stream solutions:

LiveU -Supporting several iOS/Android devices, the LU-Smart mobile app represents the next level in mobile newsgathering, allowing LiveU's broadcasting and online video customers to extend their coverage using a smartphone or tablet. Based on LiveU's fourth-generation uplink technology, LU-Smart bonds internal Wi-Fi and cellular connections to reach optimal video quality. LiveU has recently unveiled its new patent-pending Smart Grip device in a handheld monopod, boosting smartphones with an additional cellular channel (MiFi) and battery for extra resiliency and performance.

No dedicated reporting app, used for different goals (mostly for events, E-commerce).

3.7.5 Positioning:

All the solutions available are not using Live streaming & Micro navigation system together with the powers of the crowd in order to create a safer world. Reporty takes all those existing solutions and integrates them into one smart product. Reporty combines the relevant element (Social, Safe city, Crowd, indoor location & Live Stream) - and packing all in one global app. In the last years we are seeing growing number of application that are using the power of the

crowd in order to create better systems (Waze, Wikipedia etc.). We believe that Reporty is the next generation in the security industry and 'must have' product in our changing world.

For full competitive analysis table please read: 150204_competitve_analysis

4. SWOT Analysis:

4.1 Strengths:

- ✓ Strong and experienced team – fully dedicated for the Reporty mission.
- ✓ Strong technological advantages.
- ✓ The real full Social safe city system (For emergency and non-emergency events).
- ✓ Reliable Reporting system (Reduces false reports).
- ✓ Easy and widely spread.
- ✓ Indoor cover – The solution today covers only outdoor areas by cameras on strategic places and the 911 services have difficulties allocating phone calls with their existing solutions. Reporty will also cover indoor reports. According to Survey of 9-1-1 Dispatchers (http://www.digitaljournal.com/pr/1872132#ixzz2zv1RtBL1):
    - According to the survey of 1,014 PSAP managers and employees, the majority of emergency calls now come from wireless phones, but the location information they receive from carriers is unreliable and often inaccurate:
    - Majority of 9-1-1 calls are now wireless: 76 percent of 9-1-1 calls now come from wireless phones, rather than land lines;
    - Most wireless calls come from indoors: 64 percent of those wireless 9-1-1 calls are made from inside buildings;
    - Nearly every 9-1-1 call center is facing this problem: 97 percent of 9-1-1 call centers have received a wireless 9-1-1 call within the last year from a caller who could not tell the dispatcher his or her location;

- Wireless location data is not trustworthy: 82 percent of 9-1-1 personnel do not have a great deal of confidence in the location data provided to their PSAPs by the wireless carriers;
- Wireless location data is often inaccurate: 54 percent said that the latitude and longitude (i.e. Phase II) data provided by carriers that is supposed to show a caller's location is "regularly" inaccurate;
- Misrouted calls are a significant related problem: 48 percent of respondents said that 9-1-1 calls are regularly misrouted to the wrong PSAP in their area;
- First responders need accurate location information immediately: 79 percent said they need accurate location information within 15 seconds of call arrival.
- Wireless 9-1-1 calls are skyrocketing: 78 percent said the percentage of wireless calls to their PSAP has increased "dramatically" over the last five years.
- Indoor locations are common for wireless 9-1-1 calls: Significant percentages of PSAPs had received wireless 9-1-1 calls from apartment buildings (93 percent), office buildings (88 percent), hotels (78 percent), retirement homes (70 percent), hospitals (55 percent) and college dorms (36 percent) in the last year.
- Many callers cannot verbally share their locations: Nearly every PSAP had received at least one call in the prior year from someone who could not be located because the caller was lost (90 percent), gave the wrong address (86 percent), spoke a different language (76 percent), was too young to know their address (73 percent), had Alzheimer's or age-related confusion (68 percent), was having a stroke or medical emergency (68 percent), or was deaf or hard of hearing (33 percent).
- Such calls are not infrequent: 40 percent of respondents said they regularly receive wireless 9-1-1 calls from callers who cannot verbally share a location.
- PSAPs do not consistently receive accurate location data from carriers: 48 percent of respondents said they only sometimes, rarely, or never receive accurate Phase II (latitude-longitude) location data with wireless 9-1-1 calls.

- The problem is not improving: 54 percent of respondents said the issue of getting accurate location data is staying the same or getting worse.
- Accurate location information is vital to PSAPs: 99 percent of PSAPs said it is critically or very important for them to get accurate location information from the carriers to find callers.

- ✓ Gives the authorities Million dedicated eyes- all the citizens who carry a smartphone are a waking camera, that can broadcast live in just the push of a batten.
- ✓ Reliable position based reporting- a build in satellite GPS accurate location.
- ✓ Offline based – the system support offline streaming which means that: even in areas with no network the application will work and film the event – and as soon as the network will be available again it will send to the relevant authorities automatically.
- ✓ Direct connection between the citizen and the authorities (Defense, Municipal etc.)- Builds trust between the civil to the authority.
- ✓ Encourages citizen's social involvement.
- ✓ Enhances the citizen's sense of security- feels comfortable and safer.
- ✓ Shortens authority's response time- the authority Understand the situation better and quicker and therefore react accordingly.
- ✓ Creates useful information (Big Data) - Can also be used with retrospective analysis and improvement planning security in the future.
- ✓ Can be used for Evidence in court.
- ✓ Reduces crime rate- Criminals will think twice about committing a crime if they know they are surrounded by eyes connected to the authorities.
- ✓ Focus by touch.
- ✓ Gamification – automatic credibility score for every user.
- ✓ Augmented Reality (Instructions)
- ✓ Reduces the difficulty of deciphering safe city systems
- ✓ Fit for crisis situations
- ✓ Saves Money (Decrease false reports).

- ✓ Our team is Professional and experienced with years of experience in the field.
- ✓ Real money savers.
- ✓ **Saves lives**

4.2 Weaknesses:

- ✓ Greater market opportunities for large companies then for small ones.
- ✓ Not relevant with no Smartphone.
- ✓ First in first wins.

4.3 Opportunities:

- ✓ A large and expanding market.
- ✓ The Current existing systems are very expensive, and fail to provide the required response, it don't prevent crime only helps explain it in retrospect.
- ✓ Pioneer Product and Concept - doesn't exists anywhere.
- ✓ Can be utilized as part of larger solutions as Safe City.
- ✓ Authorities are looking for simple and useful products to increase their resident's safety. The thought that with 1 click you can stream live video and audio directly to the relevant authorities would improve resident's safety, deter potential criminals and decrease irrelevant reports by creating the ultimate intelligence picture.
- ✓ The amount of crimes is always on grows.
- ✓ Municipalities and security agencies are dropping millions of dollars every year on false reports.
- ✓ The timing is great "thanks" to the last events that happened in Israel and abroad. The fear from terror organization and the increasing of violence events worldwide branding Reporty as a must have product.

4.4 Threats:

- ✓ Lack of cooperation of application users.

- ✓ Hard to protect IP.

5. Business model:

Reporty business model is divided for different layers:

Reach mass amount of user with up to bottom strategy – we are promoting Reporty as a must have application for any authority/ country worldwide. We are starting with pilots (almost for free in Israel) in the authorities that we are working with that gives us exposure to large amount of users from day 1! We are charging for pilots and for the system in order to get some positive cash flow, but we believe that this money is nothing comparing to the data that we can collect.

In Israel the average pilot payment would be around 8000$ for municipalities (3 month pilot) and for emergency institutes 13,900$ (6 month pilot) which are the exact highest price that we can achieve without get into a tender (those prices are in Israel). The full software payment for the application would be around 3 times the cost of the pilot and with a monthly service fee that is 0.01$*resident for municipalities and emergency institutes.

We are familiar with the fact that the sale cycle could be long with B2G marketing strategy and because of that fact we are planning to charge “low” prices for the system (no tender needed) and in the future to corporate with large player in the industry which are not dealing with B2G2C systems. We already have some offers from companies such as: Motorola, Nice and few others, and we are considering who will be our best distributor for the Israeli market and abroad.

Approaching abroad – after long research that we done we decided that we will work abroad in corporation with big companies or through agents. Our one time license fee will be 100K$ for municipalities and 250K$ for Security agency. In addition to that

number we will charge a monthly service fee of 0.01$ per resident in the relevant state. Means that: municipality with 10M people will pay us – 100K$ + 100K$ per month.

Collecting Data – Reporty smart indoor navigation system allow as collecting location information in indoor places 24/7 thanks to the fact that we are a service application (like WhatsApp). As a natural machine learning algorithm we will learn the movement of the people in their day to day time and we will ask them to 'tag' their most visited indoor location. Thanks to the fact that we are 'emergency app' people will corporate and we will map thousands of places every day. The same model works perfectly with waze which collects your outdoor movements we are planning to be the ultimate indoor navigation system and the only one that really have the indoor places tagged with 'Human Names'. It's too early to expect what would be the amount of data that we will collect and it would be irresponsible to give that data a price tag now. But we can say that after talking to people from the big Social networks, ad networks – this data is priceless!

Implement social features for higher user engagement – We all know that we cannot based a real business model on emergency situation and because of that fact we are developing full social features that will keep people close to Reporty every day and few times a day! With those features we will increase the user engagement and it will be easier for us to monetize that usage. We have those features ready but, we understand that we are teaching the market how to use a new tool that will improve their live dramatically and we also understand that in order to teach the users we need to do it step by step – and for that reason we are starting slowly with the sailing pitch to the authorities and few month later with the upgrades we are giving those features to the crowd.

5.1 Marketing Channels:

Direct channels: thanks to our wide network, Reporty team can reach easily to potential customers in order to offer use of Reporty systems. Each person in the company came from different sectors in the security agencies and in the global industries and gained a lot of relevant experience which would be a key player for the company success. Our direct channels includes: Authorities (Local & Global), Head of municipalities, Decision makers in the government & and strong relations with the private sector.

Distribution channels: Reporty can integrate with any Safe-city Company which according to the fact that we are Complementary product for the existing solutions. Thanks to that fact we would corporate with various global companies in order to penetrate the global market.

Viral Channels: The fact is we know that Reporty is a real need we believe that the spread of new player in the reporting field would be viral from person to another. We also designed the system to alert between 5-10 close friends and family which means that all of them will need to download Reporty and choose 5-10 and so on.

5.2 basic marketing and sales principles:

Reporty market penetration will start by applying to large authorities such as government entities and municipalities and thru them, market the smartphone application to the citizens. Because of the fact that Reporty directly connect the user with the relevant authority we should first attract the authorities which will publish the solution to the citizens.

We will emphasize the significant advantages such as, improving and optimizing response time and most importantly working with the crowd and building trust and connection to the citizens.

5.2.1 Scoring platform:

We will give an incentive for the crowd to take active involvement in the sense of security by giving for each report automatic score according to the reliable of the report. The scoring will provide the authority a reliability score according to the average reporting score gained by the user.

Another reason to use that score engine is to charge the authorities who choose to pay by report only on 10+ points reports.

5.2.2 Score Method:

Score	Command & Control action
5P	Saw, Didn't react and didn't save
10P	Saw, Didn't react & Save
20P	Saw, React & Save

5.3 Cash Flow:

Please read our full P&L and our 3yr's road map.

5.3.1 Pricing:

Prices		
Pilot (Security)	$	13,900.00
Pilot (Muni)	$	6,950.00
Pilot (Global Security)	$	25,000.00
Pilot (Global Muni)	$	13,900.00
paying costumer (Sec)	$	50,000.00
paying costumer (Muni)	$	25,000.00
paying costumer (Global M)	$	100,000.00
Paying Costumer (Global S)	$	250,000.00
Monthly service	$	5,000.00
Monthly service(Global)	$	15,000.00

For full system calculation cost please read: 141212_reporty_system_hardware_costs

- All the prices could change and the numbers are set according to conversations with authorities in Israel with comparing to the global market. We know that the price for Reporty in the global market would be much higher than the numbers that appears in the table. The number represents conservative estimation in order to prove our business model.

For More information please contact:

Amir Elichai: amir@ireporty.com | +972546783796

Thanks!